

ASSEMBLY BILL

No. 737

Introduced by Assembly Member Keene

February 22, 2007

An act to amend Sections 116.221 and 116.231 of the Code of Civil Procedure, relating to small claims court.

LEGISLATIVE COUNSEL'S DIGEST

AB 737, as introduced, Keene. Small claims court jurisdiction.

(1) Existing law specifies that the jurisdiction of the small claims court includes various actions in which the demand does not exceed \$5,000, with specified exceptions. The jurisdiction also includes actions brought by a natural person, if the amount does not exceed \$7,500, except as specified.

This bill would extend the jurisdiction of the small claims court under the latter provision to include actions brought by a person, defined to include a corporation as well as a natural person, if the amount does not exceed \$7,500, except as specified.

(2) Existing law restricts a person from filing more than 2 small claims actions in which the amount demanded exceeds \$2,500, anywhere in the state in any calendar year.

This bill would increase that amount to \$5,000, delete an obsolete provision, and make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 116.221 of the Code of Civil Procedure, as added by Section 2 of Chapter 600 of the Statutes of 2005, is amended to read:

116.221. In addition to the jurisdiction conferred by Section 116.220, the small claims court has jurisdiction in an action brought by a ~~natural~~ person, if the amount of the demand does not exceed seven thousand five hundred dollars (\$7,500), except for actions otherwise prohibited by subdivision (c) of Section 116.220 or subdivision (a) of Section 116.231.

SEC. 2. Section 116.221 of the Code of Civil Procedure, as added by Section 2 of Chapter 618 of the Statutes of 2005, is amended to read:

116.221. In addition to the jurisdiction conferred by Section 116.220, the small claims court has jurisdiction in an action brought by a ~~natural~~ person, if the amount of the demand does not exceed seven thousand five hundred dollars (\$7,500), except for actions otherwise prohibited by subdivision (c) of Section 116.220 or subdivision (a) of Section 116.231.

SEC. 3. Section 116.231 of the Code of Civil Procedure is amended to read:

116.231. (a) Except as provided in subdivision ~~(d)~~ (c), ~~no a~~ person ~~may~~ shall not file more than two small claims actions in which the amount demanded exceeds ~~two five~~ thousand ~~five~~ hundred dollars ~~(\$2,500)~~ (\$5,000), anywhere in the state in any calendar year.

(b) Except as provided in subdivision (d), if the amount demanded in any small claims action exceeds ~~two five~~ thousand ~~five hundred~~ dollars ~~(\$2,500)~~ (\$5,000), the party making the demand shall file a declaration under penalty of perjury attesting to the fact that not more than two small claims actions in which the amount of the demand exceeded ~~two five~~ thousand ~~five hundred~~ dollars ~~(\$2,500)~~ (\$5,000) have been filed by that party in this state within the calendar year.

(c) ~~The Legislature finds and declares that the pilot project conducted under the authority of Chapter 1196 of the Statutes of 1991 demonstrated the efficacy of the removal of the limitation on the number of actions public entities may file in the small claims~~

1 ~~courts on claims exceeding two thousand five hundred dollars~~
2 ~~(\$2,500).~~

3 ~~(d) The limitation on the number of filings exceeding two~~
4 ~~thousand five hundred dollars (\$2,500) does not apply to filings~~
5 ~~where the claim does not exceed five thousand dollars (\$5,000)~~
6 ~~that are filed by a city, county, city and county, school district,~~
7 ~~county office of education, community college district, local~~
8 ~~district, or any other local public entity. If any small claims action~~
9 ~~is filed by a city, county, city and county, school district, county~~
10 ~~office of education, community college district, local district, or~~
11 ~~any other local public entity pursuant to this section, and the~~
12 ~~defendant informs the court either in advance of the hearing by~~
13 ~~written notice or at the time of the hearing, that he or she is~~
14 ~~represented in the action by legal counsel, the action shall be~~
15 ~~transferred out of the small claims division. A city, county, city~~
16 ~~and county, school district, county office of education, community~~
17 ~~college district, local district, or any other local public entity may~~
18 ~~not file a claim within the small claims division if the amount of~~
19 ~~the demand exceeds five thousand dollars (\$5,000).~~